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STATE FOR NEA/IPA (BELGRADE) AND EEB/IFD/ODF (DEMARCELLUS)

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SUBJECT: CANADA COMMITS \$300 MILLION FOR THE PALESTINIAN

TERRITORIES

REF: A. OTTAWA 2225

**1B.** STATE 163955

- 11. (U) As anticipated (ref a), Canada has made a sizable commitment -- \$300 million over the next five years -- in support of the Palestine Authority and the Middle East peace process. At the Paris donors' conference on December 17, Foreign Minister Maxime Bernier pledged to "increase our participation in reform of the Palestinian security system in areas including the civilian police, justice, and corrections" and to "support institution-building in the Palestinian Authority and help build a better public service." He also promised to help the Palestinian economy through private sector development. However, he warned that future Canadian funding "is not unconditional" and said that Canada will look for "demonstrable progress in negotiations by both sides, as well as progress in Palestinian democratic reforms." He reiterated that Canada's goal is "a viable Palestinian state that is democratic, accountable, and living in peace and security as a neighbour to Israel."
- 12. (U) According to a background paper that the Department of Foreign Affairs and International Trade issued on December 17, Canada in 2006-7 already provided \$25 million in programs for the West Bank and Gaza, including humanitarian assistance. In addition, Canada donated \$15 million in support of Palestinian refugees through the United Nations Relief and Work Agency and unspecified other funding through the United States Security Coordinator.

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